

AMENDED IN ASSEMBLY APRIL 28, 2015

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1350

Introduced by Assembly Member Salas

February 27, 2015

An act to amend Sections 101852, 101852.1, 101853, 101853.1, 101855, and 101855.1 of the Health and Safety Code, relating to hospital authorities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1350, as amended, Salas. Kern County Hospital Authority.

The Kern County Hospital Authority Act authorizes the board of supervisors of the County of Kern to, among other things, establish, by ordinance, the Kern County Hospital Authority to manage, administer, and control the Kern Medical Center and for the operation of additional programs, clinics and other facilities, care organizations, physician practice plans, and delivery systems that may be affiliated or consolidated with the medical center. Existing law requires the board of supervisors to adopt, and the authority to implement, a personnel transition plan that requires specified actions, including acknowledgment that the authority, to the extent permitted by federal and state law, is required to be bound by the terms of the memoranda of understanding executed between the county and its exclusive employee representatives that are in effect on the date the county adopts the enabling ordinance. Existing law subjects the authority to other employment and retirement provisions.

This bill would revise and recast those provisions to make technical changes to provisions relating to the transfer of control of the medical center by the county to the Kern County Hospital Authority, as specified. The bill would clarify that the authority is empowered with the maintenance, operation, management, control, ownership, or lease of the medical center, as provided by the enabling ordinance, as specified. The bill would make changes to the personnel transition plan to instead provide that the memoranda of understanding that apply to the authority are those in effect on the date of the transfer of control of the medical center to the authority, ~~as specified:~~ *specified, and if the memoranda of understanding has expired, that the most recent memoranda is binding unless modified by mutual agreement with each of the exclusive employee representatives.* The bill would make other changes to related provisions to further reflect that certain actions be taken on the date of the transfer of control of the medical center to the authority, rather than the date the county adopts the enabling ordinance. The bill would make other changes to provisions related to, among others, retirement provisions, debt instruments, and contract provisions. The bill would authorize the board of supervisors to contract on behalf of the authority.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 101852 of the Health and Safety Code
2 is amended to read:
3 101852. (a) This chapter shall be known, and may be cited,
4 as the Kern County Hospital Authority Act.
5 (b) The Legislature finds and declares all of the following:
6 (1) Kern Medical Center, an acute care hospital currently
7 operated as a constituent department of the County of Kern, is a
8 designated public hospital, as defined in subdivision (d) of Section
9 14166.1 of the Welfare and Institutions Code, and a critical
10 component of the state's health care safety net.
11 (2) A county is authorized under existing law to integrate its
12 county hospital services with those of other hospitals into a system
13 of community service that offers free choice of hospitals to those
14 requiring hospital care, with the objective of eliminating
15 discrimination or segregation based on economic disability, so that
16 the county hospital and other hospitals in the community share in

1 providing services to paying patients and to those who qualify for
2 care in public medical care programs. However, in a new era of
3 health care delivery, it is necessary to pursue approaches that
4 transition beyond acute care-centric orientations.

5 (3) The ongoing evolution of the health care environment
6 requires public entities providing or arranging health care services
7 to pursue innovative health care delivery models that proactively
8 improve the quality of patient care services and patient experience,
9 efficiently and effectively increase access to needed health care
10 services across the care continuum, provide services in a
11 patient-centered manner, and moderate the rate of growth of health
12 care expenditures.

13 (4) The board of supervisors of the County of Kern has
14 determined that providing access to affordable, high-quality health
15 care services, and ensuring the full engagement and viability of
16 the health care safety net in the county are essential for improving
17 the health status of the people of the County of Kern. To further
18 this imperative, it is necessary that the Kern Medical Center, while
19 continuing as a designated public hospital and maintaining its
20 mission, is provided with an organizational and operational
21 structure that facilitates and improves its ability to function with
22 flexibility, responsiveness, and innovation to promote a
23 patient-centric system of care delivery featuring community-based
24 care. This can best be accomplished by allowing the operation of
25 the Kern Medical Center, along with other health-related resources,
26 under a new hospital authority that is able to pursue efforts towards
27 a delivery system that embraces population health management
28 strategies, is effectively positioned for health plan-provider
29 alignment, and maximizes opportunities for employees and
30 enhancement of staff morale.

31 (5) This chapter is necessary to allow the formation of a new
32 political subdivision, a public hospital authority, for the purposes
33 described above.

34 SEC. 2. Section 101852.1 of the Health and Safety Code is
35 amended to read:

36 101852.1. For purposes of this chapter, the following
37 definitions shall apply:

38 (a) "Authority" means the Kern Hospital System Authority
39 established pursuant to this chapter.

1 (b) “Board of supervisors” means the board of supervisors of
2 the County of Kern.

3 (c) “Board of governors” means the governing body of the
4 authority.

5 (d) “County” means the County of Kern.

6 (e) “Enabling ordinance” means the county ordinance enacted
7 by the board of supervisors pursuant to this chapter to establish
8 the authority, as it may be amended from time to time.

9 (f) “Medical center” means the assets and liabilities comprising
10 the Kern Medical Center, including, without limitation, a licensed
11 acute care hospital and related public health care programs,
12 facilities, care organizations, physician practice plans and delivery
13 systems, which may be hospital-based or nonhospital-based, as
14 specified by the board of supervisors or the authority now or in
15 the future, as the case may be, depending on which entity controls
16 the medical center.

17 (g) “Transfer of control of the medical center” means the transfer
18 by the county to the authority of the maintenance, operation,
19 management, and personnel of the medical center, whether by
20 lease, transfer of ownership, or other means, as provided by, and
21 subject to, any conditions and limitations specified by the board
22 of supervisors in the enabling ordinance.

23 SEC. 3. Section 101853 of the Health and Safety Code is
24 amended to read:

25 101853. (a) Pursuant to this chapter, the board of supervisors
26 may establish by ordinance the Kern County Hospital Authority,
27 which shall be a public agency that is a local unit of government
28 separate and apart from the county and any other public entity for
29 all purposes. The authority established pursuant to this chapter
30 shall file the statement required by Section 53051 of the
31 Government Code, and is a public entity for purposes of Division
32 3.6 (commencing with Section 810) of Title 1 of the Government
33 Code.

34 (b) The purpose of the authority shall be to do all of the
35 following:

36 (1) Provide management, administration, and other controls
37 consistent with this chapter as needed to operate the medical center
38 and maintain its status as a designated public hospital, as defined
39 in subdivision (d) of Section 14166.1 of the Welfare and
40 Institutions Code, and for the operation of additional programs,

1 clinics and other facilities, care organizations, health care service
2 and physician practice plans, and delivery systems that may be
3 affiliated or consolidated with the medical center, to ensure the
4 viability of the health care safety net in the county in a manner
5 consistent with the county's requirements under Section 17000 of
6 the Welfare and Institutions Code.

7 (2) Provide management, administration, and other controls
8 consistent with this chapter to negotiate and enter into contracts
9 to provide or arrange, or provide directly, on a fee-for-service,
10 capitated, or other basis, health care services to individuals
11 including, but not limited to, those covered under Subchapters
12 XVIII (commencing with Section 1395), XIX (commencing with
13 Section 1396), and XXI (commencing with Section 1397aa) of
14 Chapter 7 of Title 42 of the United States Code, those entitled to
15 coverage under private group coverage, private individual coverage,
16 including without limitation, coverage through Covered California,
17 other publicly supported programs, those employed by public
18 agencies or private businesses, and uninsured or indigent
19 individuals.

20 (c) Subject to the requirements of this chapter, the authority
21 shall have, and be charged with, authority for the maintenance,
22 operation, management, control, ownership, or lease of the medical
23 center and other health-related resources, as provided by the
24 enabling ordinance. The State Department of Health Care Services
25 shall take all necessary steps to ensure all of the following:

26 (1) The authority has all of the licenses, permits, and approvals
27 needed to operate the medical center.

28 (2) The medical center continues its status as a designated public
29 hospital to at least the same extent as it would be designated in the
30 absence of its transfer to the authority pursuant to this chapter.

31 (3) The authority may participate as a contributing public agency
32 for all of the purposes specified in Section 433.51 of Title 42 of
33 the Code of Federal Regulations, to the extent permitted by federal
34 law.

35 (d) The board of supervisors, in the enabling ordinance, shall
36 establish the terms and conditions of the transfer to the authority
37 from the county, including, but not limited to, all of the following:

38 (1) Any transfer of real and personal property, assets, and
39 liabilities, including, but not limited to, liabilities of the medical
40 center determined and assigned by the county for county funds

1 previously advanced, but not repaid or otherwise recovered, to
2 fund the operations of the medical center.

3 (2) Transfer of employees, including any necessary personnel
4 transition plan, as specified in Section 101853.1, allocation of
5 credit for funded pension assets and responsibility for any unfunded
6 pension liabilities under the Kern County Employees' Retirement
7 Association or other retirement plans, and funding of the accrued
8 benefits of employees of the authority in the event of withdrawal
9 from the plan or dissolution of the authority. Any allocation of
10 credit for funded pension assets and responsibility for any unfunded
11 pension liabilities with respect to the Kern County Employees'
12 Retirement Association must be approved by its governing board
13 of retirement after consideration of legal and actuarial analysis,
14 and no such allocation may be made that would jeopardize the
15 qualified status of the Kern County Employees' Retirement
16 Association under the federal Internal Revenue Code.

17 (3) Maintenance, operation, management, control, ownership,
18 or lease of the medical center.

19 (4) Transfer of licenses.

20 (5) Whether funds of the authority shall be deposited in the
21 custody of, and paid out solely through, the county treasurer's
22 office.

23 (6) Any other matters as the board of supervisors deems
24 necessary, appropriate, or convenient for the conduct of the
25 authority's activities.

26 (e) (1) Notwithstanding any other law, a transfer of control of
27 the medical center to the authority may be made, with or without
28 the payment of a purchase price by the authority, and otherwise
29 upon the terms and conditions as found necessary by the board of
30 supervisors and specified in the enabling ordinance to ensure that
31 the transfer will constitute an ongoing material benefit to the county
32 and its residents.

33 (2) A transfer of control of the medical center to the authority
34 shall not be construed as empowering the authority to transfer any
35 ownership interest of the county in any portion of the medical
36 center except as otherwise approved by the board of supervisors.

37 (3) The authority shall not transfer the maintenance, operation,
38 management, control, ownership, or lease of the medical center to
39 any other person or entity without the prior written approval of
40 the board of supervisors. This paragraph shall not prevent the

1 county, by ordinance, from allowing the disposal of obsolete or
2 surplus equipment, supplies, or furnishings of the medical center
3 by the authority.

4 (4) With respect to its maintenance, operation, management,
5 control, ownership, or lease of the medical center, the authority
6 shall conform to both of the following requirements:

7 (A) Comply with any applicable requirements of Section
8 14000.2 of the Welfare and Institutions Code.

9 (B) Comply with any applicable requirements of Section 1442.5.

10 (5) The board of supervisors may retain control of the medical
11 center physical plant and facilities, as specifically provided for in
12 the enabling ordinance or other lawful agreements entered into by
13 the board of supervisors. Any lease agreement between the county
14 and the authority shall provide that county premises shall not be
15 sublet without the approval of the board of supervisors.

16 (6) Notwithstanding any other provision of this chapter, and
17 whether or not accompanied by a change in licensing, the
18 authority's responsibility for the maintenance, operation,
19 management, or control of the medical center, or any ownership
20 or leasehold interest of the authority in the medical center, does
21 not relieve the county of the ultimate responsibility for indigent
22 care pursuant to Section 17000 of the Welfare and Institutions
23 Code.

24 (7) For purposes of Article 12 (commencing with Section
25 17612.1) of Chapter 6 of Part 5 of Division 9 of the Welfare and
26 Institutions Code, and the definition set forth in subdivision (f) of
27 Section 17612.2 of the Welfare and Institutions Code, the medical
28 center, excluding components that provide predominately public
29 health services, and the county are affiliated governmental entities.

30 (f) The board of supervisors may contract with the authority for
31 the provision of indigent care services on behalf of the county.
32 The contract shall specify that county policies, as may be modified
33 from time to time and consistent with the county's obligations
34 under Section 17000 of the Welfare and Institutions Code, shall
35 be applicable. Notwithstanding any other provision of this chapter,
36 the authority shall not undertake any of the county's obligations
37 under Section 17000 of the Welfare and Institutions Code, nor
38 shall the authority have an entitlement to receive any revenue for
39 the discharge of the county's obligations, without a written
40 agreement with the county. Any contract executed by and between

1 the county and the authority shall provide for the indemnification
2 of the county by the authority for liabilities as specifically set forth
3 in the contract, except that the contract shall include a provision
4 that the county shall remain liable for its own negligent acts.
5 Indemnification by the authority shall not divest the county from
6 its ultimate responsibility for compliance with Section 17000 of
7 the Welfare and Institutions Code.

8 (g) Unless otherwise agreed to by the authority and the board
9 of supervisors, an obligation of the authority, statutory, contractual,
10 or otherwise, shall be the obligation solely of the authority and
11 shall not be the obligation of the county or any other entity, and
12 any contract executed by and between the county and the authority,
13 or any other entity and the authority, shall contain a provision that
14 liabilities or obligations of the authority with respect to its activities
15 pursuant to the contract shall be the liabilities or obligations of the
16 authority and shall not be or become the liabilities or obligations
17 of the county or the other entity, respectively. An obligation of the
18 authority, statutory, contractual, or otherwise, shall not be the
19 obligation of the state.

20 (h) The authority shall not be a “person” subject to suit under
21 the Cartwright Act (Chapter 2 (commencing with Section 16700)
22 of Part 2 of Division 7 of the Business and Professions Code).

23 (i) The authority is not subject to the jurisdiction of a local
24 agency formation commission pursuant to the
25 Cortese-Knox-Hertzberg Local Government Reorganization Act
26 of 2000 (Division 3 (commencing with Section 56000) of Title 5
27 of the Government Code), or any successor statute.

28 (j) The authority is a “district” within the meaning set forth in
29 the County Employees Retirement Law of 1937 (Chapter 3
30 (commencing with Section 31450) of Part 3 of Division 4 of Title
31 3 of the Government Code). Employees of the authority are eligible
32 to become members or maintain membership, as applicable, in the
33 Kern County Employees’ Retirement Association, to the extent
34 described in subdivision (g) of Section 101853.1.

35 (k) Any determination with respect to the manner in which the
36 authority qualifies as a governmental plan sponsor under Section
37 414(d) of the Internal Revenue Code shall be limited to relevant
38 employee benefits purposes of that code only, and shall not change
39 or otherwise modify the authority’s status as a public agency that

1 is a local unit of government for other purposes specified in this
2 chapter.

3 SEC. 4. Section 101853.1 of the Health and Safety Code is
4 amended to read:

5 101853.1. (a) In exercising its powers to employ personnel,
6 the authority shall implement, and the board of supervisors shall
7 adopt, a personnel transition plan. The personnel transition plan
8 shall require all of the following:

9 (1) Ongoing communication to employees and recognized
10 employee organizations regarding the impact of the transition on
11 existing medical center, county, and other health care facility
12 employees and employee classifications.

13 (2) Meeting and conferring with representatives of affected
14 bargaining unit employees on both of the following issues:

15 (A) A timeframe for which the transfer of personnel shall occur.

16 (B) Specified periods of time during which county or medical
17 center employees affected by the establishment of the authority
18 may elect to be considered for appointment and exercise
19 reinstatement rights, if applicable, to funded, equivalent, vacant
20 county positions for which they are qualified and eligible. An
21 employee who first elects to remain with the county may
22 subsequently seek reinstatement with the authority within 30 days
23 of the election to remain with the county and shall be subject to
24 the requirements of this article.

25 (3) Acknowledgment that the authority, to the extent permitted
26 by federal and state law, and consistent with paragraph (3) of
27 subdivision (d), shall be bound by the terms of those memoranda
28 of understanding executed between the county and its exclusive
29 employee representatives that are in effect on the date of the
30 transfer of control of the medical center to the authority.
31 Subsequent memoranda of understanding with exclusive employee
32 representatives shall be subject to approval only by the board of
33 governors.

34 (4) Communication to the Board of Retirement of the Kern
35 County Employees' Retirement Association or other retirement
36 plan of any personnel transition plan, memoranda of understanding,
37 or other arrangements that are related to the participation of the
38 authority's employees or the addition of new employees in the
39 retirement plan.

1 (b) Implementation of this chapter shall not be a cause for the
2 modification of the medical center or county employment benefits.
3 Employees of the medical center or county on the date of transfer,
4 who become authority employees, shall retain their existing or
5 equivalent classifications and job descriptions upon transfer to the
6 authority, comparable pension benefits (if permissible pursuant to
7 relevant plan terms), and their existing salaries and other benefits
8 that include, but are not limited to, accrued and unused vacation,
9 sick leave, personal leave, health care, retiree health benefits, and
10 deferred compensation plans. The transfer of an employee from
11 the medical center or county shall not constitute a termination of
12 employment for purposes of Section 227.3 of the Labor Code, or
13 employee benefit plans and arrangements maintained by the
14 medical center or county, except as otherwise provided in the
15 enabling ordinance or personnel transition plan, nor shall it be
16 counted as a break in uninterrupted employment for purposes of
17 Section 31641 of the Government Code with respect to the Kern
18 County Employees' Retirement Association, or state service for
19 purposes of the Public Employees' Retirement System (Part 3
20 (commencing with Section 20000) of Division 5 of Title 2 of the
21 Government Code).

22 (c) Subject to applicable state law, the authority shall recognize
23 the exclusive employee representatives of those authority
24 employees who are transferred from the county or medical center
25 to the authority pursuant to this chapter.

26 (d) In order to stabilize labor and employment relations and
27 provide continuity of care and services to the people of the county,
28 and notwithstanding any other law, the authority shall do all of the
29 following for a period of 24 months after the effective date of the
30 transfer of control of the medical center to the authority:

31 (1) Continue to recognize each exclusive employee
32 representative of each bargaining unit.

33 (2) Continue to provide the same level of employee benefits to
34 authority employees, whether the obligation to provide those
35 benefits arise out of a memorandum of understanding, or other
36 agreements or law.

37 (3) Extend and continue to be bound by any existing memoranda
38 of understanding covering the terms and conditions of employment
39 for employees of the authority, including the level of wages and
40 benefits, and any county rules, ordinances, or policies specifically

1 identified and incorporated by reference in a memoranda of
2 understanding for 24 months or through the term of the
3 memorandum of understanding, whichever shall be the longer,
4 unless modified by mutual agreement with each of the exclusive
5 employee representatives. The authority shall continue to provide
6 those pension benefits specified in any memoranda of agreement
7 as long as doing so does not conflict with any Kern County
8 Employee Retirement Association plan provisions, or federal or
9 state law including the County Employees Retirement Law of 1937
10 (Chapter 3 (commencing with Section 31450) of Part 3 of Division
11 4 of Title 3 of the Government Code and the federal Internal
12 Revenue Code). *If a memoranda of understanding is expired on*
13 *the date of the transfer of control of the medical center, then the*
14 *authority shall continue to be bound by the terms and conditions*
15 *of the most recent memoranda of understanding, unless modified*
16 *by a mutual agreement with each of the exclusive employee*
17 *representatives, and the benefits and wages of transferred*
18 *employees shall be retained consistent with subdivision (b).*

19 (4) Meet and confer with the exclusive employee representatives
20 to develop processes and procedures to address employee
21 disciplinary action taken against permanent employees. If the
22 authority terminates, suspends, demotes, or reduces the pay of a
23 permanent employee for disciplinary reasons, those actions shall
24 only be for cause consistent with state law, and an employee shall
25 be afforded applicable due process protections granted to public
26 employees under state law. Permanent employees laid off by the
27 authority within six months of the date of the transfer of control
28 of the medical center shall remain on the county reemployment
29 list for two years. Inclusion on the county reemployment list is not
30 a guarantee of reemployment. For the purposes of this paragraph,
31 the term “permanent employees” excludes probationary employees,
32 temporary employees, seasonal employees, provisional employees,
33 extra help employees, and per diem employees.

34 (5) To the extent layoffs occur, and provided that all other
35 previously agreed upon factors are equal, ensure that seniority
36 shall prevail. The authority shall meet and confer with the exclusive
37 employee representatives to address layoff procedures and the
38 manner in which, and the extent to which, seniority shall be
39 measured for employees who transfer from the medical center or
40 county.

1 (e) Permanent employees of the medical center or county on
2 the effective date of the transfer of control of the medical center
3 to the authority, shall be deemed qualified for employment in
4 equivalent positions at the authority, and no other qualifications
5 shall be required except as otherwise required by state or federal
6 law. Probationary employees on the effective date of the transfer,
7 as set forth in this paragraph, shall retain their probationary status
8 and rights and shall not be required to serve a new probationary
9 or extend their probationary period by reason of the transfer. To
10 the extent possible, employees who transfer to equivalent positions
11 at the authority shall retain their existing classifications and job
12 descriptions, but if there is a dispute over this issue, the authority
13 agrees to meet and confer with the exclusive employee
14 representatives of the transferred employees.

15 (f) Employees who transfer from the medical center or county
16 to the authority shall retain the seniority they earned at the medical
17 center or county and any benefits or privileges based on the
18 seniority.

19 (g) Notwithstanding any other law, employees of the authority
20 may participate in the Kern County Employees' Retirement
21 Association, operated pursuant to the County Employees
22 Retirement Law of 1937 (Chapter 3 (commencing with Section
23 31450) of Part 3 of Division 4 of Title 3 of the Government Code)
24 as set forth below. However, the authority and employees of the
25 authority, or certain designated parts thereof, shall not participate
26 in the Kern County Employees' Retirement Association if the
27 board of retirement, in its sole discretion, determines that their
28 participation could jeopardize the Kern County Employees'
29 Retirement Association's tax-qualified or governmental plan status
30 under federal law, or if a contract or related contract amendment
31 proposed by the authority contains any benefit provisions that are
32 not specifically authorized by Chapters 3 (commencing with
33 Section 31450) and 3.9 (commencing with Section 31899) of Part
34 3 of Division 4 of Title 3 of the Government Code or Article 4
35 (commencing with Section 7522) of Chapter 21 of Division 7 of
36 Title 1 of the Government Code, and that the board determines
37 would adversely affect the administration of the system. There
38 shall not be any individual employee elections regarding
39 participation in the Kern County Employees' Retirement
40 Association or other retirement plans except to the extent such

1 retirement plans provide for elective employee salary deferral
2 contributions in accordance with federal Internal Revenue Code
3 rules.

4 (1) Employees transferred from the county or medical center to
5 the authority who are subject to a memorandum of understanding
6 between the authority and an exclusive employee representative,
7 as described in paragraphs (2) and (3) of subdivision (d), and who
8 were members of the Kern County Employees' Retirement
9 Association at the time of their transfer of employment, shall
10 continue to be a member of the Kern County Employees'
11 Retirement Association, retaining service credit earned to the date
12 of transfer, to the extent provided for in the applicable
13 memorandum of understanding.

14 (2) Employees transferred from the county or medical center to
15 the authority who are subject to a memorandum of understanding
16 between the authority and an exclusive employee representative,
17 as described in paragraphs (2) and (3) of subdivision (d), and who
18 were not members of the Kern County Employees' Retirement
19 Association at the time of their transfer of employment, shall
20 subsequently become a member of the Kern County Employees'
21 Retirement Association only to the extent provided for in the
22 applicable memorandum of understanding.

23 (3) Employees transferred from the county or medical center to
24 the authority who are not subject to a memorandum of
25 understanding between the authority and an exclusive employee
26 representative, as described in paragraphs (2) and (3) of subdivision
27 (d), and who were members of the Kern County Employees'
28 Retirement Association at the time of their transfer of employment,
29 shall continue to be a member of the Kern County Employees'
30 Retirement Association, retaining service credit earned to the date
31 of transfer, as provided in the enabling ordinance or the personnel
32 transition plan.

33 (4) Employees transferred from the county or medical center to
34 the authority who are not subject to a memorandum of
35 understanding between the authority and an exclusive employee
36 representative, as described in paragraphs (2) and (3) of subdivision
37 (d), and who were not members of the Kern County Employees'
38 Retirement Association at the time of their transfer of employment,
39 shall subsequently become a member of the Kern County

1 Employees' Retirement Association only to the extent provided
2 in the enabling ordinance or the personnel transition plan.

3 (5) Employees hired by the authority on or after the effective
4 date of the transfer of control of the medical center shall become
5 a member of the Kern County Employees' Retirement Association
6 only to the extent provided in the enabling ordinance or personnel
7 transition plan described in subdivision (a), or, if subject to a
8 memorandum of understanding between the authority and an
9 exclusive employee representative as described in paragraphs (2)
10 and (3) of subdivision (d), to the extent provided for in the
11 applicable memorandum of understanding.

12 (6) (A) Notwithstanding any other law, for purposes of
13 California Public Employees' Pension Reform Act of 2013 (Article
14 4 (commencing with Section 7522) of Chapter 21 of Division 7
15 of Title 1 of the Government Code), an individual who was
16 employed by the county or the medical center when it was a
17 constituent department of the county, and is a member of the Kern
18 County Employees' Retirement Association or the Public
19 Employees' Retirement System, as set forth in Part 3 (commencing
20 with Section 20000) of Division 5 of Title 2 of the Government
21 Code, ~~or current or contingent member of a plan of replacement~~
22 ~~for members whose retirement benefits are limited by Section 415~~
23 ~~of Title 26 of the United States Code as provided in Section~~
24 ~~7522.43 of the Government Code, Code or a member~~ prior to
25 January 1, 2013, and who transfers, directly or after a break in
26 service of less than six months, to the authority, in which the
27 individual continues to be a member of either the Kern County
28 Employees' Retirement Association or the Public Employees'
29 Retirement System, as applicable, shall not be deemed to be a new
30 employee or a new member within the meaning of Section 7522.04
31 ~~or 7522.43 of the Government Code, and shall continue to be~~
32 ~~subject~~ *subject, immediately after the transfer,* to the same defined
33 benefit formula, as defined in Section 7522.04 of the Government
34 Code, ~~or and plan of replacement benefits for members whose~~
35 ~~retirement benefits are limited by Section 415 of Title 26 of the~~
36 ~~United States Code, as provided in Section 7522.43 of the~~
37 ~~Government Code, to which the member was subject immediately~~
38 ~~prior to the transfer. offered by the county pursuant to Section~~
39 ~~31899.4 of the Government Code and the Kern County~~

1 *Replacement Benefits Plan for retirement benefits limited by*
2 *Section 415 of Title 26 of the United States Code.*

3 (B) For purposes of *subdivision (c)* of Section 7522.43 of the
4 Government Code, the authority shall be treated as a public
5 employer that offered a plan of replacement benefits for members
6 ~~whose retirement benefits are limited by Section 415 of Title 26~~
7 ~~of the United States Code prior to January 1, 2013, with respect~~
8 ~~to current or contingent members of that plan who were employed~~
9 ~~by the county or the medical center when it was a constituent~~
10 ~~department of the county prior to January 1, 2013, and who~~
11 ~~transfer, directly or after a break in service of less than six months,~~
12 ~~to the authority and continue to be a member of either the Kern~~
13 ~~County Employees' Retirement Association or the Public~~
14 ~~Employees' Retirement System, as applicable, prior to January~~
15 ~~1, 2013. The county's plan of replacement benefits that was in~~
16 ~~effect prior to January 1, 2013, is deemed to also be the authority's~~
17 ~~replacement plan for the sole purpose of allowing the authority~~
18 ~~to continue to offer the plan of replacement benefits, immediately~~
19 ~~after the transfer, for Kern County Employees' Retirement~~
20 ~~Association members who meet both of the following requirements,~~
21 ~~and the qualifying survivors or beneficiaries of those members:~~

22 (i) *The employee was employed as of January 1, 2013, by the*
23 *county or the medical center when it was a constituent department*
24 *of the county.*

25 (ii) *The employee is part of a member group to which the county*
26 *offered a plan of replacement benefits prior to January 1, 2013.*

27 (h) This chapter shall not prohibit the authority from contracting
28 with the Public Employees' Retirement System, in accordance
29 with the requirements of Section 20508 and any other applicable
30 provisions of Part 3 (commencing with Section 20000) of Division
31 5 of Title 2 of the Government Code, for the purpose of providing
32 employee participation in that system, or from establishing an
33 alternative or supplemental retirement system or arrangement,
34 including, but not limited to, deferred compensation arrangements,
35 to the extent permitted by law and subject to any applicable
36 agreement between the authority and the exclusive employee
37 representatives, and as provided in the enabling ordinance or the
38 personnel transition plan. Notwithstanding any other law, the
39 authority and employees of the authority shall not participate in
40 the Public Employees' Retirement System if the Board of

1 Administration of the Public Employees' Retirement System, in
2 its sole discretion, determines that their participation could
3 jeopardize the Public Employees' Retirement System's
4 tax-qualified or governmental plan status under federal law, or if
5 a contract or related contract amendment proposed by the authority
6 contains any benefit provisions that are not specifically authorized
7 by Part 3 (commencing with Section 20000) of Division 5 of Title
8 2 of the Government Code, and that the board determines would
9 adversely affect the administration of the system.

10 (i) Provided that this is not inconsistent with anything in this
11 chapter, this chapter does not prohibit the authority from
12 determining the number of employees, the number of full-time
13 equivalent positions, job descriptions, the nature and extent of
14 classified employment positions, and salaries of employees.

15 SEC. 5. Section 101855 of the Health and Safety Code is
16 amended to read:

17 101855. (a) Subject to any terms, conditions, and limitations
18 as may be imposed by the enabling ordinance, the authority, in
19 addition to any other powers granted pursuant to this chapter, shall
20 have the following powers:

21 (1) To have the duties, privileges, immunities, rights, liabilities,
22 and limitations of a local unit of government within the state.

23 (2) To have perpetual existence, subject to Article 5
24 (commencing with Section 101856).

25 (3) To adopt, have, and use a seal, and to alter it at its pleasure.

26 (4) To sue and be sued in the name of the authority in all actions
27 and proceedings in all courts and tribunals of competent
28 jurisdiction.

29 (5) To purchase, lease, trade, exchange, or otherwise acquire,
30 maintain, hold, improve, mortgage, lease, sell, and dispose of real
31 and personal property of any kind necessary or convenient to
32 perform its functions and fully exercise its powers.

33 (6) To appoint and employ or otherwise engage a chief executive
34 officer and other officers and employees that may be necessary or
35 appropriate, including legal counsel, to establish their
36 compensation, provide for their health, retirement, and other
37 employment benefits, and to define the power and duties of officers
38 and employees.

39 (7) (A) To incur indebtedness and to borrow money and issue
40 bonds evidencing the same, including the authority to issue, from

1 time to time, notes and revenue bonds in principal amounts that
2 the authority determines to be necessary to provide sufficient funds
3 for achieving any of its purposes, including, but not limited to,
4 assumption or refinancing of debt service for capital projects
5 eligible for Medi-Cal supplemental payments pursuant to Section
6 14085.5 of the Welfare and Institutions Code, or any successor or
7 modified Medi-Cal debt service reimbursement program, the
8 payment of principal and interest on notes and bonds of the
9 authority, the establishment of reserves to secure those notes and
10 bonds, and all other expenditures of the authority incident to and
11 necessary or convenient to carry out its purposes and powers.

12 (B) Any notes, bonds, or other securities issued, and the income
13 from them, including any profit from the sale thereof, shall at all
14 times be free from taxation by the state or any agency, political
15 subdivision, or instrumentality of the state.

16 (C) Notwithstanding the provisions of subparagraph (A), for
17 any indebtedness, notes, bonds, or other securities that require
18 voter approval pursuant to state law, the prior approval of the board
19 of supervisors shall be required. Notwithstanding the required prior
20 approval of the board of supervisors, any indebtedness incurred,
21 or notes, bonds, or other securities issued pursuant to this
22 subparagraph shall be the indebtedness, notes, bonds, or securities
23 of the authority and not of the county, and the credit of the county
24 shall not be pledged or relied upon in any manner in order to incur
25 the indebtedness, or issue the notes, bonds, or other securities,
26 unless the board of supervisors explicitly authorizes the use of the
27 county's credit. The authority shall reimburse the county for all
28 costs associated with the county's consideration of the
29 indebtedness, notes, bonds, or securities, and the authority shall
30 defend, indemnify, and hold harmless the county from any and all
31 liability, costs, or expenses arising from or related to the
32 indebtedness, notes, bonds, or securities.

33 (D) Nothing in this section shall preclude the authority from
34 repayment of its debts or other liabilities, using funds that are not
35 otherwise encumbered.

36 (8) To pursue its own credit rating.

37 (9) To enter into one or more contracts or agreements consistent
38 with this chapter and other applicable laws of this state, including,
39 but not limited to, contracting with any public or private entity or
40 person for management or other services and personnel, and to

1 authorize the chief executive officer to enter into contracts, execute
2 all instruments, and do all things necessary or convenient in the
3 exercise of the powers granted in this chapter.

4 (10) To purchase supplies, equipment, materials, property, and
5 services.

6 (11) To establish policies relating to its purposes.

7 (12) To acquire or contract to acquire, rights-of-way, easements,
8 privileges, and property, and to construct, equip, maintain, and
9 operate any and all works or improvements wherever located that
10 are necessary, convenient, or proper to carry out any of the
11 provisions, objects, or purposes of this chapter, and to complete,
12 extend, add to, repair, or otherwise improve any works or
13 improvements acquired by it.

14 (13) To participate in, contract for, and to accept, gifts, grants,
15 and loans of funds, property, or other aid or finance opportunity
16 in any form from the federal government, the state, a state agency,
17 or other source, or combination thereof, as otherwise would be
18 available to a public, government, or private entity, and to comply,
19 subject to this chapter, with the terms and conditions thereof.

20 (14) If not otherwise required pursuant to the enabling ordinance
21 to deposit its funds in the county treasury, the authority may
22 establish its own treasury, invest surplus money in its own treasury,
23 manage investments, and engage third-party investment managers,
24 in accordance with state law.

25 (15) To arrange for guarantees or insurance of its bonds, notes,
26 or other obligations by the federal or state government or by a
27 private insurer, and to pay the premiums thereof.

28 (16) To engage in managed care contracting, joint ventures,
29 affiliations with other health care facilities, other health care
30 providers and payers, management agreements, or to participate
31 in alliances, purchasing consortia, health insurance pools,
32 accountable care organizations, alternative delivery systems, or
33 other cooperative arrangements, with any public or private entity.

34 (17) To enter into joint powers agreements pursuant to Chapter
35 5 (commencing with Section 6500) of Division 7 of Title 1 of the
36 Government Code. Notwithstanding any other law, the authority
37 may enter into a joint powers agreement as described in Section
38 6523.5 of the Government Code as though that section applied to
39 hospitals and other health care facilities in the County of Kern.

1 (18) To establish nonprofit, for-profit, or other entities necessary
2 to carry out the duties of the authority.

3 (19) To elect to transfer funds to the state and incur certified
4 public expenditures in support of the Medi-Cal program and other
5 programs for which federal financial participation is available.

6 (20) To use a computerized management information system,
7 including an electronic health records system, in connection with
8 its operations, including, without limitation the administration of
9 its facilities.

10 (21) To request that the board of supervisors levy a tax on behalf
11 of the authority. If the board of supervisors approves the proposal
12 to levy the tax, it shall call the election to seek voter approval and
13 place the appropriate measure on the ballot for that election. The
14 proceeds of these taxes shall be tax proceeds of the authority and
15 not of the county. The authority shall reimburse the county for all
16 costs associated with the county's consideration of those taxes,
17 and shall defend, indemnify, and hold harmless the county from
18 any liability, costs, or expenses arising from or related to the
19 imposition of these taxes.

20 (22) Notwithstanding the provisions of this chapter relating to
21 the obligations and liabilities of the authority, or any other law, ~~a~~
22 ~~transfer of control of the medical center to the authority pursuant~~
23 ~~to this chapter shall confer onto the authority all~~ *shall have* the
24 *same rights, privileges, exemptions, preferences, and authority set*
25 ~~forth in state law to own, operate, and provide of a county with~~
26 *respect to owning, operating, and providing* coverage and services
27 through hospitals, clinics and other health facilities, health
28 programs, care organizations, *physicians and* physician practice
29 plans, delivery systems, health care service plans, and other
30 *provider types and coverage mechanisms that may be owned or*
31 ~~operated by a county.~~ *mechanisms.*

32 (23) To engage in other activities that may be in the best interests
33 of the authority and the persons served by the authority, as
34 determined by the board of governors, in order to respond to
35 changes in the health care industry.

36 (b) The authority shall conform to the following requirements:

37 (1) (A) Be a government agency that is a local unit of
38 government separate and apart for all purposes from the county
39 and any other public entity, and shall not be considered to be an
40 agency, division, or department of the county or any other public

1 entity. The authority shall not be governed by or subject to the
2 civil service requirements of the county. Notwithstanding any other
3 law, except as otherwise provided for in the enabling ordinance
4 enacted pursuant to this chapter, and as set forth in Section
5 101853.1 relating to the personnel transition plan, the authority
6 shall not be governed by, or subject to, other policies or operational
7 rules applicable to the county, the medical center prior to its
8 transfer, or any other public entity, including, but not limited to,
9 those relating to personnel and procurement.

10 (B) The board of governors shall adopt written rules, regulations,
11 and procedures with regard to basic human resource functions not
12 inconsistent with memoranda of understanding covering employees
13 represented by employee organizations or the provisions of this
14 chapter. Until the time that the board of governors adopts its own
15 rules, regulations, or procedures with regard to these functions,
16 the existing rules, regulations, and procedures set forth in any
17 memoranda of understanding described in Section 101853.1, and
18 the rules and regulations adopted by the county and described in
19 paragraph (4), shall continue to apply.

20 (2) Be subject to state and federal taxation laws that are
21 applicable to public entities generally.

22 (3) Except as otherwise specifically provided in this chapter,
23 comply with the Meyers-Milias-Brown Act (Chapter 10
24 (commencing with Section 3500) of Division 4 of Title 1 of the
25 Government Code), the Public Records Act (Chapter 3.5
26 (commencing with Section 6250) of Division 7 of Title 1 of the
27 Government Code), and the Ralph M. Brown Act (Chapter 9
28 (commencing with Section 54950) of Part 1 of Division 2 of Title
29 5 of the Government Code).

30 (4) Be subject to the jurisdiction of the Public Employment
31 Relations Board. Until the authority adopts rules and regulations
32 pursuant to subdivision (a) of Section 3507 of the Government
33 Code, the existing rules adopted by the county and contained in
34 the county's employer-employee relations resolution, as amended,
35 shall apply, modified to account for the creation of the authority,
36 and provided further that the resolution shall not contain any
37 incorporation of the county's civil service rules or county
38 ordinances unless specifically addressed in this chapter.

39 (5) Carry professional and general liability insurance or
40 programs to the extent sufficient to cover its activities.

1 (6) Comply with the requirements of Sections 53260 and 53261
2 of the Government Code.

3 (7) Maintain financial and accounting records.

4 (8) Meet all local, state, and federal data reporting requirements.

5 (c) (1) Subject to any restrictions applicable to public agencies,
6 and subject to any limitations or conditions set forth in the enabling
7 ordinance adopted by the board of supervisors, the authority may
8 borrow money from the county, repay debt it owes to the county,
9 and use the borrowed funds to provide for its operating and capital
10 needs. The county may lend the authority funds and may issue
11 debt instruments, including, without limitation, revenue anticipation
12 notes to obtain funds to provide, by loan or otherwise, amounts
13 necessary for the authority to meet its operating and capital needs.

14 (2) Notwithstanding paragraph (1), nothing in this chapter shall
15 be construed to limit the borrowing powers the county otherwise
16 has under law for the purposes specified in paragraph (1) or any
17 other purposes.

18 (d) Open sessions of the authority shall constitute official
19 proceedings authorized by law within the meaning of Section 47
20 of the Civil Code. The privileges set forth in that section with
21 respect to official proceedings shall apply to open sessions of the
22 authority.

23 (e) (1) Notwithstanding any other law, the board of governors
24 *or board of supervisors, as applicable*, may order that a meeting
25 held solely for the purpose of discussion or taking action on
26 authority trade secrets, as defined in subdivision (d) of Section
27 3426.1 of the Civil Code, or to consider and take action on matters
28 pertaining to contracts and contract negotiations concerning all
29 matters related to rates of payment for health care services arranged
30 or provided by the authority, shall be held in closed session. Trade
31 secrets for purposes of this chapter shall also include information
32 for which the secrecy of the information is necessary for the
33 authority to initiate a new service, program, marketing strategy,
34 business plan, or technology, or to add a benefit or product, and
35 premature disclosure of the trade secret would create a substantial
36 probability of depriving the authority of a substantial economic
37 benefit or opportunity.

38 (2) The requirements of making a public report of actions taken
39 in closed session and the vote or abstention of every member
40 present may be limited to a brief general description devoid of the

1 information constituting the trade secret or concerning the matters
2 related to rates of payment.

3 (3) Those records of the authority *or board of supervisors, as*
4 *applicable*, that reveal the authority's trade secrets are exempt
5 from disclosure pursuant to the California Public Records Act
6 (Chapter 3.5 (commencing with Section 6250) of Division 7 of
7 Title 1 of the Government Code), or any similar local law requiring
8 the disclosure of public records. This exemption shall apply for a
9 period of two years after the service, program, marketing strategy,
10 business plan, technology, benefit, or product that is the subject
11 of the trade secret is formally adopted by the governing body of
12 the authority, provided that the service, program, marketing
13 strategy, business plan, technology, benefit, or product continues
14 to be a trade secret. The board of governors *or board of*
15 *supervisors, as applicable*, may delete the portion or portions
16 containing trade secrets from any documents that were finally
17 approved in the closed session that are provided to persons who
18 have made the timely or standing request.

19 (4) This chapter shall not prevent the board of governors *or*
20 *board of supervisors, as applicable*, from meeting in closed session
21 as otherwise provided by law.

22 (f) Notwithstanding any other law, those records of the authority
23 and of the county that reveal the authority's rates of payment for
24 health care services arranged or provided by the authority or its
25 deliberative processes, strategies, discussions, communications,
26 or any other portion of the negotiations with providers of health
27 care services or Medi-Cal, health care plans, or other payers for
28 rates of payment, shall not be required to be disclosed pursuant to
29 the California Public Records Act (Chapter 3.5 (commencing with
30 Section 6250) of Division 7 of Title 1 of the Government Code),
31 or any similar local law requiring the disclosure of public records.
32 However, three years after a contract or amendment to a contract
33 is fully executed, the portion of the contract or amendment
34 containing the rates of payment shall be open to inspection.

35 (g) The authority shall be a public agency that is a local unit of
36 government for purposes of eligibility with respect to grants and
37 other funding and loan guarantee programs. Contributions to the
38 authority shall be tax deductible to the extent permitted by state
39 and federal law. Nonproprietary income of the authority shall be
40 exempt from state income taxation.

1 (h) Unless otherwise provided by the board of supervisors by
2 way of resolution, the authority is empowered, or the board of
3 supervisors is empowered on behalf of the authority, to apply as
4 a public agency for one or more licenses for the provision of health
5 care or the operation of a health care service plan pursuant to
6 statutes and regulations governing licensing as currently written
7 or subsequently amended.

8 (i) The statutory authority of a board of supervisors to prescribe
9 rules that authorize a county hospital to integrate its services with
10 those of other providers into a system of community service that
11 offers free choice of hospitals to those requiring hospital care, as
12 set forth in Section 14000.2 of the Welfare and Institutions Code,
13 shall apply to the authority and the board of governors.

14 (j) (1) Except as otherwise provided in this chapter, provisions
15 of the Evidence Code, the Government Code, including the Public
16 Records Act (Chapter 3.5 (commencing with Section 6250) of
17 Division 7 of Title 1 of the Government Code), the Civil Code,
18 the Business and Professions Code, and other applicable law
19 pertaining to the confidentiality of peer review activities of peer
20 review bodies shall apply to the peer review activities of the
21 authority, or any peer review body, as defined in paragraph (1) of
22 subdivision (a) of Section 805 of the Business and Professions
23 Code, formed pursuant to the powers granted to the authority. The
24 laws pertaining to the confidentiality of peer review activities shall
25 be together construed as extending, to the extent permitted by law,
26 the maximum degree of protection of confidentiality.

27 (2) Notwithstanding Article 9 (commencing with Section 11120)
28 of Chapter 1 of Part 1 of Division 3 of Title 2 of, and Chapter 9
29 (commencing with Section 54950) of Part 1 of Division 2 of Title
30 5 of, the Government Code, or any other provision of law, any
31 peer review body formed pursuant to the powers granted to the
32 authority, may, at its discretion and without notice to the public,
33 meet in closed session, so long as the purpose of the meeting is
34 the peer review body's discharge of its responsibility to evaluate
35 and improve the quality of care rendered by health facilities and
36 health practitioners. The peer review body and its members shall
37 receive, to the fullest extent, all immunities, privileges, and
38 protections available to those peer review bodies, their individual
39 members, and persons or entities assisting in the peer review
40 process, including those afforded by Section 1157 of the Evidence

1 Code and Section 1370. Peer review proceedings shall constitute
2 an official proceeding authorized by law within the meaning of
3 Section 47 of the Civil Code and those privileges set forth in that
4 section with respect to official proceedings shall apply to peer
5 review proceedings of the authority.

6 (3) Notwithstanding the California Public Records Act (Chapter
7 3.5 (commencing with Section 6250) of Division 7 of Title 1 of
8 the Government Code), or Article 9 (commencing with Section
9 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of, and
10 Chapter 9 (commencing with Section 54950) of Part 1 of Division
11 2 of Title 5 of, the Government Code, or any other provision of
12 state or local law requiring disclosure of public records, those
13 records of a peer review body formed pursuant to the powers
14 granted to the authority, shall not be required to be disclosed. The
15 records and proceedings of the peer review body and its individual
16 members shall receive, to the fullest extent, all immunities,
17 privileges, and protections available to those records and
18 proceedings, including those afforded by Section 1157 of the
19 Evidence Code and Section 1370 of the Health and Safety Code.

20 (4) If the authority is required by law or contractual obligation
21 to submit to the state or federal government peer review
22 information or information relevant to the credentialing of a
23 participating provider, that submission shall not constitute a waiver
24 of confidentiality.

25 (5) Notwithstanding any other law, Section 1461 shall apply to
26 hearings on reports of hospital medical audit or quality assurance
27 committees.

28 (k) Except as expressly provided by other provisions of this
29 section, all exemptions and exclusions from disclosure as public
30 records pursuant to this chapter and the California Public Records
31 Act, including, but not limited to, those pertaining to trade secrets
32 and information withheld in the public interest, shall be fully
33 applicable to the authority, and for the board of supervisors, and
34 all state and local agencies with respect to all writings that the
35 authority is required to prepare, produce, or submit, and which
36 shall not constitute a waiver of exemption from disclosure.

37 (l) The authority and the county, or any combination thereof,
38 may engage in marketing, advertising, and promotion of the
39 medical and health care services made available to the community
40 by the authority.

1 (m) (1) The board of supervisors may contract for services or
2 purchase items on behalf of the authority.

3 (2) Unless otherwise provided for, and subject to the limitations
4 and conditions set forth in the enabling ordinance, the board of
5 governors shall have authority over procurement and contracts for
6 the authority and shall adopt written rules, regulations, and
7 procedures with regard to these functions. The authority's ability
8 to contract for personnel or other services and items it deems
9 necessary, appropriate, or convenient for the conduct of its
10 activities consistent with its purposes shall only be limited by the
11 provisions in this chapter and obligations under the
12 Meyers-Milias-Brown Act (Chapter 10 (commencing with Section
13 3500) of Division 4 of Title 1 of the Government Code).

14 (3) Contracts by and between the authority and a public agency,
15 and contracts by and between the authority and providers of health
16 care, goods, or services, may be let on a nonbid basis and shall be
17 exempt from Chapter 2 (commencing with Section 10290) of Part
18 2 of Division 2 of the Public Contract Code.

19 (n) The authority may contract with the county for services and
20 personnel upon mutually agreeable terms.

21 (o) Notwithstanding Article 4.7 (commencing with Section
22 1125) of Chapter 1 of Division 4 of Title 1 of the Government
23 Code, related to incompatible activities, Section 1099 of the
24 Government Code, related to incompatible offices, or any other
25 law, a member of the authority's administrative staff shall not be
26 considered to hold an incompatible office or to be engaged in
27 activities inconsistent and incompatible with his or her duties as
28 a result of his or her employment or affiliation with the county or
29 an agency of the county.

30 (p) The board of governors and the officers and employees of
31 the authority are public employees for purposes of Division 3.6
32 (commencing with Section 810) of Title 1 of the Government
33 Code, relating to claims and actions against public entities and
34 public employees, and shall be protected by the immunities
35 applicable to public entities and public employees governed by
36 Part 2 (commencing with Section 814) of Division 3.6 of Title 1
37 of the Government Code, except as provided by other statutes or
38 regulations that apply expressly to the authority.

39 SEC. 6. Section 101855.1 of the Health and Safety Code is
40 amended to read:

101855.1. (a) Transfer of control of the medical center, whether or not the transfer includes the surrendering by the county of the existing general acute care hospital license and corresponding application for a change of ownership of the license, shall not affect the eligibility of the county to undertake, and shall authorize the authority, subject to applicable requirements, to do any of the following:

(1) With the written consent of the county, participate in and receive allocations pursuant to the California Health Care for Indigents Program pursuant to Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code, or similar programs, as may be identified or earmarked by the county ~~for indigent health care in support of uncompensated~~ services of the type provided by the medical center.

(2) With the written consent of the county, participate in and receive allocations of local revenue fund amounts provided pursuant to Chapter 6 (commencing with Section 17600) of Part 5 of Division 9 of the Welfare and Institutions Code as may be identified or earmarked by the county ~~for indigent in support of health care services of the type provided by the medical center. center to low-income individuals.~~

(3) Participate in the financing of, as applicable, and receive, Medicaid disproportionate share hospital payments available to a county hospital or designated public hospital, or any other successor or modified payment or funding that is intended to assist hospitals that serve a disproportionate share of low-income patients with special needs. The allocation of Medicaid disproportionate share hospital payments shall be made in consultation with the State Department of Health Care Services and other designated safety net hospitals.

(4) Participate in the financing of, as applicable, and receive, Medi-Cal payments and supplemental reimbursements, including, but not limited to, payments made pursuant to Sections 14105.96, 14105.965, 14166.4, 14182.15, and 14199.2 of the Welfare and Institutions Code, payments described in paragraph (4) of subdivision (b) of Section 14301.4 of, and Section 14301.5 of, the Welfare and Institutions Code, and payments made available to a county provider or designated public hospital, or governmental entity with which it is affiliated, under any other successor or modified Medicaid payment system.

1 (5) Participate in the financing of, as applicable, and receive,
2 safety net care pool funding, stabilization funding, delivery system
3 reform incentive pool payments, and any other funding available
4 to a county provider or designated public hospital, or governmental
5 entities with which it is affiliated under the Medicaid demonstration
6 project authorized pursuant to Article 5.2 (commencing with
7 Section 14166) and Article 5.4 (commencing with Section 14180)
8 of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
9 Code, or under any other successor or modified Medicaid
10 demonstration project or Medicaid payment system. The allocation
11 of safety net care pool funds shall be made in consultation with
12 the State Department of Health Care Services and other designated
13 safety net hospitals.

14 (6) Participate in the financing, administration, and provision
15 of services under the Low Income Health Program authorized
16 pursuant to Part 3.6 (commencing with Section 15909) of Division
17 9 of the Welfare and Institutions Code, or under any other successor
18 or modified Medicaid demonstration project or Medicaid payment
19 system if the authority enters into an agreement with the county
20 concerning the provision of services by, and payment for these
21 services to, the county.

22 (7) Participate in and receive direct grant and payment
23 allocations pursuant to Article 5.230 (commencing with Section
24 14169.50) of Chapter 7 of Part 3 of Division 9 of the Welfare and
25 Institutions Code, or under any other successor or modified direct
26 grant and payment systems funded by hospital or other provider
27 fee assessments.

28 (8) Receive Medi-Cal capital supplements pursuant to Section
29 14085.5 of the Welfare and Institutions Code, or any other
30 successor or modified Medi-Cal debt service reimbursement
31 program. Notwithstanding any other law, supplemental payments
32 shall be made to the medical center under those programs for the
33 debt service costs incurred by the county, and, if applicable, by
34 the authority to the extent that debt service responsibility is
35 refinanced, transferred to, or otherwise assumed by, directly or
36 indirectly, the authority.

37 (9) Receive any other funds, or preference in the assignment of
38 health care plan enrollees, that would otherwise be available to a
39 county health plan, provider, or designated public hospital, or
40 governmental entity with which it is affiliated.

1 (b) The transfer of control of the medical center to the authority
2 pursuant to this chapter shall not otherwise disqualify the county
3 or the authority from participating in any of the following:

4 (1) Local, state, and federal funding sources either specific to
5 county or other publicly owned or operated health care service
6 plans, hospitals, or other health care providers, including, but not
7 limited to, ambulatory care clinics, health systems, practices,
8 designated public hospitals, or governmental entities with which
9 they are affiliated, for which there are special provisions specific
10 to those plans, hospitals, ambulatory care clinics, health systems,
11 practices, other health care providers or governmental entities with
12 which they are affiliated.

13 (2) All funding programs in which the county, by itself or on
14 behalf of the medical center had participated prior to the creation
15 of the authority, or would otherwise be qualified to participate in
16 had the authority not been created, and the maintenance, operation,
17 management, control, ownership, or lease of the medical center
18 not been transferred to the authority pursuant to this chapter.